

State of Alaska FY2009 Governor's Operating Budget

Department of Transportation/Public Facilities Aviation Results Delivery Unit Budget Summary

Aviation Results Delivery Unit

Contribution to Department's Mission

Provide airport infrastructure for the movement of people and goods and provide relevant and reliable financial information to the international airport system.

Core Services

- Airport Improvement Program (AIP) Five-Year Funding Plan development and coordination.
- Rural airport planning, design, construction and operation coordination, as well as technical assistance.
- Conduct Federal Aviation Administration (FAA) Airport Inspections (5010 database maintenance).
- Ensure appropriate accounting and financial policies and procedures at the international airports.
- Provide uniform fee structures for use of airport facilities and services.
- Provide leasing services for use of land and buildings at rural airports.
- Development and management of the State Aviation System Plan.

End Result	Strategies to Achieve End Result
A: Increase revenue generation at statewide rural airports. <u>Target #1:</u> Increase the number of executed leases and permits at statewide rural airports over the prior year by 2%. <u>Measure #1:</u> The number of agreements (leases, permits) issued and executed at the rural airports compared to the prior year.	A1: Process rural airport land-use applications more expeditiously. <u>Target #1:</u> Reduce the number of days to process land use applications. <u>Measure #1:</u> Number of days to process land use permits compared to the prior year.

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> • Analyze below-standards inventory. • Analyze APEB scoring for below-standard criteria. • Meet regularly with FAA Airports Division. • Analyze snow removal equipment. • Develop or update web site to provide user-friendly access to airport information. 	<ul style="list-style-type: none"> • Analyze APEB scoring for SRE & buildings. • Inventory lease lots. • Leasing officers e-mail aviation businesses about available aviation properties. • System inventory. • System Plan outreach and identification of issues by users.

FY2009 Resources Allocated to Achieve Results	
FY2009 Results Delivery Unit Budget: \$3,182,000	Personnel:
	Full time 24
	Part time 0
	Total 24

Performance Measure Detail

A: Result - Increase revenue generation at statewide rural airports.

Target #1: Increase the number of executed leases and permits at statewide rural airports over the prior year by 2%.

Measure #1: The number of agreements (leases, permits) issued and executed at the rural airports compared to the prior year.

Executed leases and increase in revenue generation at rural airports

Year	Executed Agreements	% Change	Revenue	% Change
2005	1,722			
2006	1,725	.17%	3,337	
2007	1,678	-2.7%	3,244	-2.79%

Analysis of results and challenges: Rural economic development is a priority of the administration. Toward that goal, the Statewide Aviation Division has been directed to market vacant airport properties, create a web-based application process, and increase revenues. Leasing staff is directed toward these efforts. A market survey has been performed that will, when implemented, increase rural airport land lease rental rates to fair market and increase user fees in order to help offset maintenance costs of the rural airports.

The department received \$2 million in the FY06 capital budget that is being used to develop revenue producing agreements for lease lots at rural airports. These activities include clearing, excavation, gravel fill, renovation of State owned buildings, constructing road access, installing utilities, constructing additional apron space for aircraft tie-downs, and the moving of roads or parking lots. Airports where this development has/is taking place include; Birchwood, Bethel, Deadhorse, Klawock, Willow, Seward, Sitka, and Yakutat. As the legislature approves additional funding more projects will be undertaken to improve lands on rural airports for private and commercial development, thus increasing revenue.

New leases and permits are being issued on airport properties and these are the indicators for construction levels and increase of revenue at the airports. Issuance of rural airport land-use agreements indicates the level of interest in developing or using airport property. It is also an indicator of production achievement by current staffing levels. The amount of anticipated investments is obtained from building permit applications and provides an indicator of the development dollars that may be spent at these airport locations, which, in turn, enhances the local communities.

A1: Strategy - Process rural airport land-use applications more expeditiously.

Target #1: Reduce the number of days to process land use applications.

Measure #1: Number of days to process land use permits compared to the prior year.

Average Days to Process Land-use Applications

Year	YTD
2005	115
2006	141
2007	131

Analysis of results and challenges: Currently, the department has initiated an on-line application program where the general public can apply for a lease or permit for use of land on a rural airport. Currently, approximately 60% of all land use applications are received through the mail. Inputting mailed applications into the on-line system is very time consuming. We are in the process of streamlining and automating the application process. Once the internet on-line system is fully operational and the public becomes more familiar with the process it is anticipated that eventually more applications will be received on-line than through the mail. This process is expected to reduce substantially the amount of time required to process applications.

Key RDU Challenges

- Maximize the amount of federal Airport Improvement Program (AIP) funding available for the state and ensure this funding is applied to the highest priority airport capital improvement needs. AIP funding objectives of special emphasis:
- Execute federal AIP funding grants to improve the following airports which currently experience seasonal closures. Atka, Nightmute, and Savoonga Airports are scheduled to have major runway improvements completed in 2009.
- Execute AIP funding grants to improve the following airports to 24 hour medical evacuation capability with improved runways and permanent runway lighting Akutan (stage 1 embankment), Takotna, Akiachak, and Tuluksak .
- Global Positioning System (GPS) navigation continues to impact the way in which rural airports are being designed, built and operated. The more effort that is put into facilitating these navigational improvements, the sooner mobility will be improved and lives will be saved.
- Identify cost reductions at the international airports that do not jeopardize the traveling public safety.
- Identify new revenue sources and enhance existing ones at the international airports.
- Staff will be challenged to process the increasing number of land use agreements and building permit applications that are received next year, do it faster with less staff and fulfill directives to market airport properties and create web-based application processes.

Significant Changes in Results to be Delivered in FY2009

No significant changes are anticipated.

Major RDU Accomplishments in 2007

- Worked with the FAA to execute approximately \$173.2 million in federal Airport Improvement Program (AIP) funding for Department of Transportation & Public Facilities (DOT&PF) airports.
- Executed AIP funding grants to reduce seasonal closures at rural Airports.
- Executed AIP funding grants to improve the following airports to 24-hour medical evacuation capability with improved runways and permanent runway lighting: Nightmute and Nunapichuk. Completed lighting system installation at King Cove.
- Deployed an emergency lighting system at Kipnuk Airport when the existing system experienced catastrophic failure.
- Implemented an aircraft tiedown program for based and transient aircraft at Willow Airport to eliminate traffic conflicts and overcrowding, and to increase revenue generation.
- Increased revenue generation at rural airports by increasing land rent and user fees.
- Adopted Title 17, Chapter 45, rural airport regulations.

Contact Information

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Aviation
RDU Financial Summary by Component

All dollars shown in thousands

	FY2007 Actuals				FY2008 Management Plan				FY2009 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Formula												
Expenditures												
None.												
Non-Formula												
Expenditures												
Statewide	0.0	0.0	1,650.2	1,650.2	0.0	0.0	2,068.0	2,068.0	0.0	0.0	2,148.7	2,148.7
Aviation												
International	0.0	0.0	836.3	836.3	0.0	0.0	954.0	954.0	0.0	0.0	1,033.3	1,033.3
Airport												
Systems												
Totals	0.0	0.0	2,486.5	2,486.5	0.0	0.0	3,022.0	3,022.0	0.0	0.0	3,182.0	3,182.0

Aviation
Summary of RDU Budget Changes by Component
From FY2008 Management Plan to FY2009 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Management Plan	0.0	0.0	3,022.0	3,022.0
Adjustments which will continue current level of service:				
-Statewide Aviation	0.0	0.0	80.7	80.7
-International Airport Systems	0.0	0.0	14.3	14.3
Proposed budget increases:				
-International Airport Systems	0.0	0.0	65.0	65.0
FY2009 Governor	0.0	0.0	3,182.0	3,182.0